

## MEMORANDUM



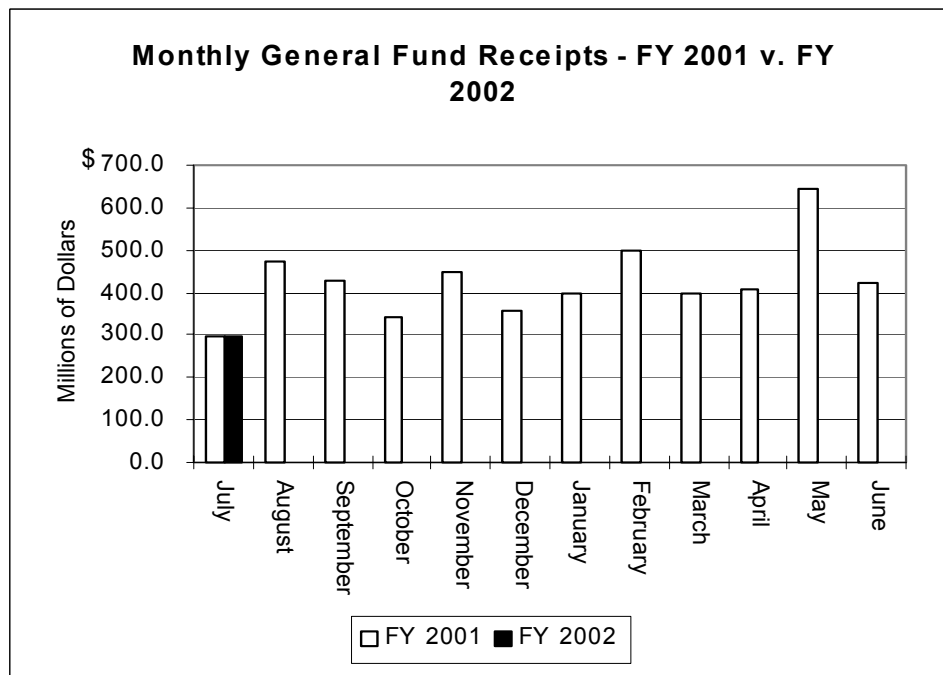
TO: Members of the Iowa Senate and  
Members of the Iowa House of Representatives

FROM: Dennis C. Prouty

DATE: August 1, 2001

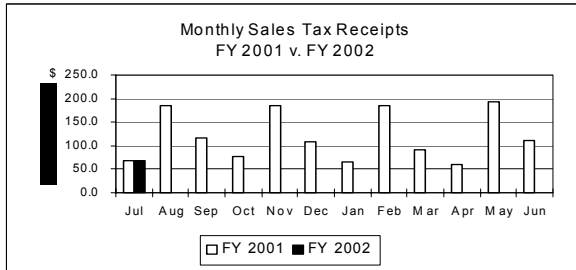
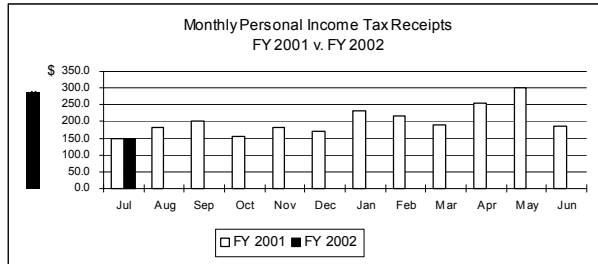
### General Fund Receipts Through July 31, 2001

The attached spreadsheet represents total FY 2002 estimated General Fund receipts, with comparable figures for actual FY 2001. These can be compared to the FY 2002 estimate (\$5.347 billion) set by the Revenue Estimating Conference (REC) on July 30, 2001. The estimate represents an increase of \$232.6 million (4.5%) compared to actual FY 2001.



## FY 2002 Compared to FY 2001

Year-to-date FY 2002 revenue decreased by \$1.1 million (- 0.4%) compared to FY 2001. This is below the REC estimate of 4.5% for FY 2002.



**Gross personal income tax** revenues received in July totaled \$147.0 million, an increase of \$0.1 million (0.1%) compared to July 2000.

The REC FY 2002 income tax estimate of \$2.560 billion represents a projected increase of 5.5% compared to actual FY 2001. The actual year-to-date growth in personal income tax is currently 0.1%.

The State tracks personal income tax in three sub-categories:

Withholding receipts in July increased 0.9% compared to July 2000.

Estimated tax payments in July increased 3.6% compared to July 2000.

Tax payments with returns in July increased 90.6% compared to July 2000. The majority of these revenues are collected when taxpayers file annual personal income tax returns and are received during the mid-March to mid-May filing period.

The Chart above compares monthly personal income tax receipts for FY 2001 with FY 2002.

**Gross sales tax** revenues received in July totaled \$69.5million, an increase of \$2.7 million (4.0%) compared to July 2000.

The REC estimate for FY 2002 sales tax receipts is \$1.513 billion, which represents an increase of 4.9% compared to actual FY 2001.

The Chart above compares monthly sales tax receipts for FY 2001 with FY 2002.

**Corporate income tax** receipts in July were \$13.0 million, a decrease of \$1.6 million (- 11.0%) compared to July 2000.

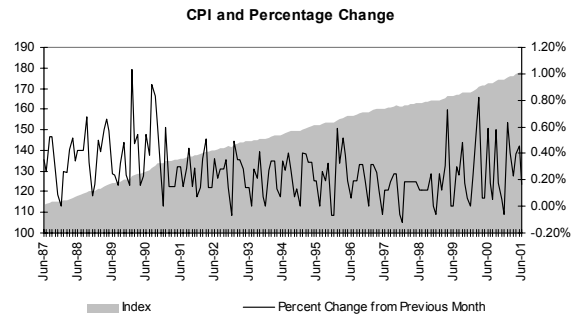
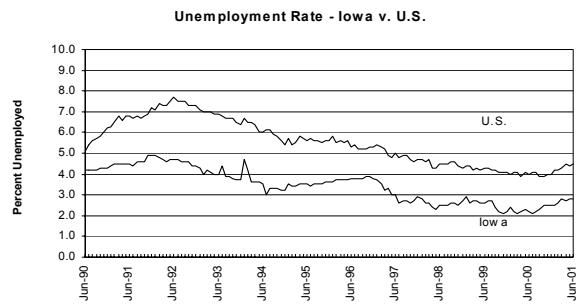
The REC projected FY 2002 corporate income tax receipts at \$275.7 million, a decrease of 3.2% compared to actual FY 2001. The actual FY 2001 decrease was 12.6%.

## Status of the Economy

The seasonally adjusted percent unemployed for the State in June remained unchanged at 2.8% from May's rate. The unemployment rate a year ago was 2.7%. The 2.8% rate remains the highest level measured since January of 1999 when the rate was 2.9%. Iowa's total adjusted June employment registered at 1,518,500, up 3,100 from last year's level of 1,515,400. The number of unemployed persons in Iowa stood at 44,400 in June, which is up compared to last year's level of 41,700. The U.S. unemployment rate was 4.5% for June, up from the June 2000 rate of 4.0%.

Consumer prices increased by 0.2% in June from the previous month's level. The Consumer Price Index (CPI-U) through June 2001 was 178.0 (1983=100), which is 3.2% higher than one year ago.

The following series illustrate U.S. and Iowa unemployment comparisons and the CPI through June 2001.



Information related to State General Fund receipts is available electronically through the Fiscal Bureau's Electronic Publishing of Information System (EPI). If you have questions regarding this service, you may contact Glen Dickinson (515-281-4616).

